

MANTSOPA MUNICIPALITY

FINANCIAL STATEMENTS 30 June 2008

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MANTSOPA MUNICIPALITY

GENERAL INFORMATION

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E-MAIL	:	Mantsopamun@xsinet.co.za
WEBSITE	:	www.mantsopa.com
GRADING	:	2
DISTRICT MUNICIPALITY	:	Motheo District Municipality
MEMBERS OF COUNCIL -		Clr W. Mathee (Mayor) Clr B.M. Sani (Speaker) Clr H.P. Olivier (Member of Exco) Clr L.A. Nkhatho (Member of Exco) Clr P.E. Mahlose Clr M.A. Majara Clr M.E. Ncwada Clr M.A. Thabeng (Deceased) Clr T.S. Mosoeu Clr J.E. van der Westhuizen Clr M.A. Malakane Clr P. Van Vollenhoven Clr L.P. Moletsane Clr A.L. Mahlatsi Clr L.R.M. Plaatjies Clr M.V. Tlhobo
MUNICIPAL MANAGER	:	S.M. Selepe MP Admin
CHIEF FINANCIAL OFFICER	:	D.J. Spangenberg B Com
AUDITORS	:	The Auditor-General
BANKERS	:	Current Accounts: ABSA Bank - 2020000050 FNB - 62054009751

MANTSOPA MUNICIPALITY

APPROVAL OF FINANCIAL STATEMENTS:

The annual financial statements set out on pages 5 to 37 were approved by the Chief Executive Officer / Municipal Manager on 10 September 2008 and will be presented to Council for approval on 30 September 2008.

.....
ACTING MUNICIPAL MANAGER
SM Selepe

.....
MANAGER: FINANCIAL SERVICES
DJ Spangenberg

MANTSOPA MUNICIPALITY

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

FOREWORD

Mantsopa Local Municipality(FS 173) includes the former municipalities of Ladybrand, Excelsior, Hobhouse, Tweespruit and Thaba Patchoa. Although currently a Grade 2 local municipality, an application has been lodged to be upgraded to Grade 3. Upgrading is awaited.

The entity has a collective executive system.

The Constitution of the Republic of South Africa, in referring to the objects of local government, in section 152 (1) inter alia states

- * *to provide democratic and accountable government for local communities.*

and in section 152 (2)

- * *A municipality must strive, within its financial and administrative capacity, to achieve the objects set out in subsection (1).*

It clearly requires an administration based on sound principles so as to render efficient services to the people within its area of jurisdiction.

I humbly state that we as Council, the Municipal Manager and his staff are committed to the fair and equitable development of our area, its people and its resources.

The challenges facing us and the problems of funding the services that we render are enormous. It is essential that we prioritise our resources to ensure that it is applied in an effective manner.

As custodians of the finances of our community we are bound to do just that.

In conclusion I would like to thank my fellow councillors and the Municipal Manager and all his staff for their support and contribution to the success - **Winner of Premier's Excellence Award, 2008** - *of our administration.*

Yours sincerely

.....
COUNCILLOR W Mathee
MAYOR

MANTSOPA MUNICIPALITY

*REPORT OF THE AUDITOR-GENERAL TO THE MUNICIPALITY OF MANTSOPA
FOR THE FINANCIAL YEAR ENDED ON 30 JUNE 2008*

*THE AUDITOR-GENERAL WILL ISSUE HIS REPORT UPON FINALISATION
OF THE AUDIT.*

MANTSOPA MUNICIPALITY

TREASURER'S REPORT

INTRODUCTION

Mantsopa Municipality is a well established local government serving the towns of Ladybrand, Tweespruit, Hobhouse, Excelsior and Thaba Patchoa.

The National Credit Act and regulations that came into effect as from June 2007, will probably favour municipalities in the sense that consumer credit will not that easily been taken up and indebted consumers will not be allowed more debt. This can create the opportunity for municipalities to collect more of the available net salaries of consumers. We will have to improve on our efforts to collect in order to capitalize on this opportunity.

The attached financial statements are the statements for the period 1 July 2007 to 30 June 2008.

It is still our intention to determine unacceptable deviations and to take the necessary corrective steps. Efficient and effective application of our resources are of the utmost importance to us.

A more realistic picture of the financial performance by local government will probably become available in future. That will enable us to compare our financial performance with the national performance indicators and statistics.

It has been a very rewarding and satisfying year and the future that holds diverse challenges, will be tackled with all commitment, to meet these challenges.

It is with pleasure that I now report on the financial statements for the year ended 30 June 2008.

MANTSOPA MUNICIPALITY
TREASURER'S REPORT (Continued)

1 OPERATING RESULTS

Details of the operating results per department, classification and object of expenditure are included in Appendices D and E.
The applicable statistics are shown in appendix F.

The summarized results for the year ended 30 June 2008 are as follows :

INCOME	ACTUAL 2007	ACTUAL 2008	VARIANCE 2007/2008	BUDGET 2008	VARIANCE ACTUAL/ BUDGET
	R	R	%	R	%
Opening surplus	13 797 441	29 396 705	113.06%		
Operating income for the year	87 319 420	89 303 596	(2.27%)	86 303 137	(3.48%)
Sundry transfers	0	0		0	
Closing deficit	0	0		0	
	101 116 861	118 700 301		86 303 137	
EXPENDITURE					
Opening deficit	0	0			
Operating expenditure for the year	73 885 603	73 627 276	(0.35%)	86 301 583	(14.69%)
Sundry transfers	(2 165 447)	16 802 806		0	
Closing surplus	29 396 705	28 270 218		1 554	
	101 116 861	118 700 301		86 303 137	

1.1 RATES AND GENERAL SERVICES

	ACTUAL 2007	ACTUAL 2008	VARIANCE 2007/2008	BUDGET 2008	VARIANCE ACTUAL/ BUDGET
	R	R	%	R	%
Income	60 771 442	65 360 103	(7.55%)	57 927 945	12.8%
Expenditure	48 392 505	48 523 363	(0.27%)	60 578 593	(19.9%)
Surplus [deficit]	12 378 937	16 836 740	(36.01%)	(2 650 648)	
Surplus [deficit] as % of total Income	20.4%	25.8%		(4.58%)	

Sewerage shows a surplus, because of budgeted capital expenditure out of Income to the amount of R918,965 that was not done during this financial year.

1.2 HOUSING SERVICE

	ACTUAL 2007	ACTUAL 2008	VARIANCE 2007/2008	BUDGET 2008	VARIANCE ACTUAL/ BUDGET
	R	R	%	R	%
Income	0	227 368	100.0%	0	
Expenditure	588 422	699 647	(18.90%)	497 443	40.65%
Surplus [deficit]	(588 422)	(472 278)	(19.74%)	(497 443)	(5.06%)
Surplus [deficit] as % of total Income	(100.0%)	(100.0%)			

The actual rental income was allocated and budgeted in the vote for properties.

MANTSOPA MUNICIPALITY
TREASURER'S REPORT (Continued)

1.3 FARMING

	ACTUAL 2007	ACTUAL 2008	VARIANCE 2007/2008	BUDGET 2008	VARIANCE ACTUAL/ BUDGET
	R	R	%	R	%
Income	5 162 886	162 196	0.0%	0	100.0%
Expenditure	8 132 940	397 187	0.0%	0	100.0%
Surplus [deficit]	(2 970 054)	(234 991)	0.0%	0	100.0%
Surplus [deficit] as % of total income	(57.53%)	(144.9%)		0.0%	

Farming activities were discontinued during the year.

TRADING SERVICES

1.4 ELECTRICITY SERVICES

	ACTUAL 2007	ACTUAL 2008	VARIANCE 2007/2008	BUDGET 2008	VARIANCE ACTUAL/ BUDGET
	R	R	%	R	%
Income	13 911 322	13 396 470	3.70%	14 522 577	(7.75%)
Expenditure	13 266 062	11 287 166	(14.92%)	12 262 097	(7.95%)
Surplus [deficit]	645 260	2 109 304	(226.89%)	2 260 480	(6.7%)
Surplus [deficit] as % of total Income	4.6%	15.75%		15.6%	

Electricity losses due to incorrect metering and possible tampering has not yet been overcome, although efforts are continuously made to limit the problem. The reason for the higher surplus on electricity is the fact that no administration fees were charged. It was not budgeted for, because Centlec was supposed to take over this department, but it did not realise in this financial year.

Consumables indicated as inventory can vary due to material that were bought for immediate usage and not to be kept in stock.

1.5 WATER SERVICE

	ACTUAL 2007	ACTUAL 2008	VARIANCE 2007/2008	BUDGET 2008	VARIANCE ACTUAL/ BUDGET
	R	R	%	R	%
Income	12 636 656	10 319 654	(18.34%)	13 852 615	(25.50%)
Expenditure	11 638 614	13 117 100	12.70%	12 963 450	(1.19%)
Surplus [deficit]	998 042	(2 797 446)	(380.3%)	889 165	(414.61%)
Surplus [deficit] as % of total Income	7.9%	(27.11%)		6.4%	

The national decision to eradicate buckets, followed by Council's decision to replace the bucket system with water borne toilets, will put more pressure on water provisioning.

Consumables indicated as inventory can vary due to material that were bought for immediate usage and not to be kept in stock.

MANTSOPA MUNICIPALITY
TREASURER'S REPORT (Continued)

2 CAPITAL EXPENDITURE AND FINANCE

Expenditure on fixed assets during the year amounted to R64,113,957 compared to R34,774,887 the previous year. Many of the budgeted projects have been performed by Motheo District Municipality of which feedback has not been received i.r.o. the status of the projects. The actual expenditure thus indicated is 27% less than the amount budgeted for. If only expenditure controlled by Mantsopa itself is taken into consideration, 71% of the amount budgeted for has been spent.

The actual amount spent from own sources, is 29% less than the budgeted amount.

The expenditure consists of the following:

	ACTUAL 2008 R	BUDGET 2008 R	ACTUAL 2007 R
Environmental Health	0	17 000	0
Roads and streets	805 233	401 620	5 270 984
Administrative Services	216 460	715 000	0
Development	0	6 000	11 399
PMU	26 996	0	0
Municipal Manager	340 325	0	0
Housing	40 000	55 000	0
Financial Services	20 836	33 000	22 799
Fire Protection	0	0	0
Traffic service	95 526	100 000	0
Library	0	0	11 399
Parks and Recreation	95 260	0	0
Properties	131 050	0	0
Sanitation	0	1 600 000	0
Sewerage	57 712 059	80 401 570	18 470 337
Electricity	213 126	260 000	210 163
Water	3 798 163	4 240 506	6 425 104
Farming	618 923	0	4 352 702
	64 113 957	87 829 696	34 774 887

Sources used to finance the fixed assets were as follows:

	ACTUAL 2008 R	BUDGET 2008 R	ACTUAL 2007 R
Contributions from:			
Income	1 805 064	2 529 000	637 843
Erven Fund	0	0	0
Motheo District Municipality	0	23 365 540	0
Loans	414 338	400 000	766 930
Grants and subsidies	61 894 555	61 535 156	33 370 114
	64 113 957	87 829 696	34 774 887

MANTSOPA MUNICIPALITY
TREASURER'S REPORT (Continued)

3 EXTERNAL LOANS, INVESTMENTS AND CASH

3.1 EXTERNAL LOANS

External loans outstanding on 30 June 2008 amounted to R6,051,974 (R11,274,153 - 2007) as set out in Appendix B.

During the year loans totalling R5,636,519 were repaid and an amount of R266,776 was contributed to the Redemption fund.

3.2 INVESTMENTS AND CASH

Investments and cash on hand at 30 June 2008 amounted to R12,272,901. At 30 June 2007 there was a bank overdraft of R3,694,119 and investments amounted to R2,924,735. The cashflow situation has improved considerably from the previous year.

4 ANALYSIS OF OPERATING INCOME AND EXPENDITURE

4.1 The relevant data per source of income and cost category is as follows :

The Administration costs for Water, Sewer and Sanitation amount to R7,438,723 and has been budgeted for and approved by Council. No administration cost was budgeted for electricity, as this function was planned to be sourced out to Centlec at the time of the budget.

This amount is not reflected in the following table as Less: Charged Out .

INCOME	2008	% of income	2007	% of income
Grants	27 721 437	31.04	23 233 810	26.61
Subsidies	0	0.00	470 000	0.54
Total grants and subsidies	27 721 437	31.04	23 703 810	27.15
Operating income	61 582 159	68.96	63 615 610	72.86
Assessment rates	11 881 506	13.30	9 594 682	10.99
Sale of electricity	13 226 428	14.81	13 782 864	15.78
Sale of water	8 524 459	9.55	10 782 039	12.35
Other service charges	27 949 766	31.30	29 456 025	33.73
TOTAL INCOME	89 303 596	100.00	87 319 420	100.00
EXPENDITURE		% of expenditure		% of expenditure
Salaries and allowances	30 426 360	37.53	27 962 172	33.35
General expenses	35 668 598	44.00	41 403 953	49.38
Purchase of electricity	7 734 591	9.54	6 822 250	8.14
Purchase of water	578 278	0.71	480 633	0.57
Indigents subsidised ex Equitable Share	6 016 603	7.42	5 556 445	6.63
Other general expenses	21 339 127	26.32	28 544 625	34.05
Repairs and maintenance	3 626 540	4.47	3 705 634	4.42
Capital charges	2 804 432	3.46	3 011 420	3.59
Fixed assets	1 805 064	2.23	637 843	0.76
Contribution to funds	6 735 007	8.31	7 118 209	8.49
TOTAL EXPENDITURE	81 066 000	100.00	83 839 231	100.00

MANTSOPA MUNICIPALITY
TREASURER'S REPORT (Continued)

- 4.2 As referred to in the introductory paragraph to this report, it is the intention to establish benchmarks and ratios to assist the treasury in analysing financial tendencies in respect of income and the utilisation of these resources.

The data compiled can assist Council in determining a financial policy .

5 DEBTORS	2008/06/30	2007/06/30
Owing to Council - service debtors	74 340 887	62 413 266
Increase(decrease) in amount owing	11 927 621	13 879 503
Days outstanding	304	358
Percentage increase/(decrease)	19.11%	28.60%

- 5.1 The increase in debtors is a matter of concern and drastic steps have to be taken against non-payers. The 50 % discount scheme introduced by Council is still in place, but only for debts up to June 2003. Due to the increase in debtors, Council resolved that an additional amount of R15,000,000 be allocated from Accumulated Surplus to Provision for Bad Debts.

6 FUNDS AND RESERVES

More information regarding funds and reserves are disclosed in the notes (1 to 3) and appendix A to the financial statements.

7 ACKNOWLEDGEMENT

My sincere thanks to the Mayor, Speaker, Members of Exco, Councillors and the Municipal Manager for their support. To the staff of my department and the representatives of the Auditor-General my appreciation for their assistance.

MANAGER: FINANCIAL SERVICES

DATE: 10-Sep-2008

MANTSOPA MUNICIPALITY

ACCOUNTING POLICIES

1 Basis of presentation

- 1.1 These financial statements have been prepared so as to conform to the standards laid down by the Institute of Municipal Treasurers and Accountants in its Code of Accounting Practice (1997) and Report on Published Annual Financial Statements (Second edition January 1996).
- 1.2 The financial statements are prepared on the historical cost basis, adjusted for fixed assets as more fully detailed in Accounting Policy note 3. The accounting policies are consistent with those applied in the previous year, except if otherwise indicated.
- 1.3 The financial statements are prepared on the accrual basis as stated:
- * Income is accrued when measurable and available to finance operations. Certain direct income is accrued when received, such as traffic fines and certain licenses.
 - * Expenditure is accrued in the year it is incurred.

2 Consolidation

The financial statements include Rate and General services, Housing service, Trading services and the different funds and reserves. All inter departmental charges are set-off against each other, with the exception of assessment rates, refuse removal, sewerage, electricity and water, which are treated as income and expenditure in the respective departments.

3 Fixed Assets

- 3.1 Fixed Assets are stated:
- * at historical cost, or
 - * at valuation (based on the market price at date of acquisition), where assets have been acquired by grant or donation, while they are in existence and fit for use, except in the case of bulk assets which are written off at the end of their estimated life as determined by the Manager: Financial Services.

MANTSOPA MUNICIPALITY

ACCOUNTING POLICIES (Continued)

3.2 Depreciation

The balance shown against the heading "Loans Redeemed and Other Capital Receipts" in the notes to the balance sheet is tantamount to provision for depreciation, however, certain structural differences do exist.

By way of this "Provision" assets are written down over their estimated useful life.

Apart from advances from various council funds, assets may also be acquired through:

- * Appropriations from income, where the full cost of the asset forms an immediate and direct charge against the operating income, and therefore it is unnecessary to make any further provision for depreciation.
- * Grant or donation, where the amount representing the value of such grant or donation is immediately credited to the "Loans Redeemed and Other Capital Receipts" account.

3.3 All net proceeds from the sale of fixed property are credited to the Erven Trust Fund. Net proceeds from the sale of all other assets are credited to the Capital Development Fund.

3.4 Fixed assets are financed from different sources, including external loans, operating income, endowments and internal advances. These loans and advances are repaid within the estimated lives of the assets acquired from such loans or advances. Interest is charged to the service concerned at the ruling interest rate applicable at the time that the advance is made.

4 Inventory

Inventory(consumables) is valued at the lower of cost, determined on the weighted average basis and net realisable value.

Inventory(livestock) is valued at the lower of cost, determined on the weighted average basis. The livestock be valued by a recognised buyer of livestock.

5 Funds and Reserves

5.1 *Capital Development Fund*

The Local Government Ordinance No. 8 of 1962, requires a minimum contribution of 1,0 percent of the annual income of a local authority.

5.2 *Renewal Fund*

Replacement and renewal reserves are built up to finance the replacement or renewal of existing vehicles, equipment or other assets, but has been discontinued.

5.3 *Erven Fund*

The proceeds from the sale of land and fixed properties are credited to Erven Fund and the expending of these funds is largely confined to the purchase of land and township development.

5.4 *Capital Reserve Fund*

The Capital Reserve Fund has been discontinued.

MANTSOPA MUNICIPALITY

ACCOUNTING POLICIES (Continued)

5.5 Housing Development Fund

A policy regarding the Housing Fund has still to be drawn up. For the interim, when funds are needed for specific housing issues, expenses are debited against the Housing Fund.

5.6 Redemption Fund

In terms of Sec. 98 (1) of the Local Government Ordinance No. 8 of 1962 a council shall provide for the redemption of a loan by annual or bi-annual contributions during the period of the loan.

6 Provisions

Provisions are created for liabilities or contingencies which are known at the preparation of the balance sheet but where the particular amounts cannot be ascertained with reasonable certainty. Provision for bad debt applies to operating capital and is regarded as a deduction from the assets.

7 Retirement Benefits

Mantsopa Municipality and its employees contribute to:
Free State Municipal Pension Fund: Valuation done 30 June 2008
Free State Municipal Provident Fund: Valuation done 30 June 2008
SAMWU National Fund
Sala Pension Fund
Sanlam Group Scheme : Valuation done 30 June 2008

The retirement benefit plan is subject to the Pension Funds Act, 1956 with pensions being calculated on the final pensionable remuneration paid. Current contributions are charged against operating income on the basis of current service cost.

Full actuarial valuations are performed and a representative from Council as well as the employees are present on annual meetings.

8 Surpluses and Deficits

Any surpluses or deficits arising from the operation of Electricity, Water and Farming services are transferred to Rate and General services.

9 Treatment of administration and other overhead expenses

The cost of internal support services are transferred to the different services in accordance with the Institute Report on Accounting for Support Services (June 1990).

MANTSOPA MUNICIPALITY

ACCOUNTING POLICIES (Continued)

10 Investments

Investments are shown at the lower of cost or market value, if a permanent decline in value occurred, and are invested in accordance with Circular No. 1 of 1989 issued by the Provincial Legislature.

Investments' opening balances are restated according to the stipulations of the MFMA Section 125(2)(a) which requires all details to be shown.

11 Income recognition

11.1 Electricity, Water, Refuse and Sewer Billings

Meters are read and billed monthly.
Certain stands are serviced by pre-payment electricity meters.
Income is recognised when the service is delivered.

11.2 Assessment Rates

Assessment rates are levied on the value of land and improvements at the improved value. The first R25 000 of all residential properties is exempt from tax. It is recognised on a monthly basis.

11.3 Other Income

All other income are treated on an accrual basis.

12 Change in Accounting policy

Due to the implementation of certain sections of the MFMA, some opening balance were restated in order to comply.

12.1 Deferred charges

The cost involve to aquire a loan from the DBSA and the interest payable while the full loan amount has not been taken up, will be treated as deferred charges and will be written off over the period of the loan, once the loan has been fully taken up.

12.2 Leased assets/Hire Purchases

Leased assets or assets aquired through a hire purchase scheme will be treated as follows. The total cost of the asset will be capitalized and a long term loan will be created.

MANTSOPA MUNICIPALITY
FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

BALANCE SHEET AS AT 30 JUNE 2008

	NOTE	2008 R	2007 R
CAPITAL EMPLOYED			
FUNDS AND RESERVES		10 829 622	12 681 845
Statutory funds	1	10 829 622	12 681 845
Reserves	2	0	0
RETAINED SURPLUS	18	28 270 218	29 396 705
		39 099 840	42 078 550
TRUST FUNDS	3	0	0
LONG-TERM LIABILITIES	4	5 378 470	5 056 522
CONSUMER DEPOSITS	5	2 199 132	2 181 909
		46 677 443	49 316 981
EMPLOYMENT OF CAPITAL			
FIXED ASSETS	6	6 051 972	11 255 926
INVESTMENTS	7	12 269 440	2 921 305
LONG-TERM DEBTORS	8	237 458	243 012
DEFERRED CHARGES	11	0	18 227
		18 558 871	14 438 470
NET CURRENT ASSETS		28 118 572	34 878 511
CURRENT ASSETS		57 543 177	60 016 102
Inventory	9	465 770	136 840
Debtors	10	57 068 392	59 870 278
Bank and Cash	23	2 255	2 255
Short-term investments	7	1 206	1 175
Short-term portion of long-term debtors	8	5 554	5 554
CURRENT LIABILITIES		29 424 604	25 137 591
Provisions	12	3 012 406	2 379 017
Creditors	13	25 711 334	12 846 824
Short-term portion of long-term liabilities	4	673 503	6 217 631
Bank Overdraft	23	27 361	3 694 119
		46 677 443	49 316 981

MANTSOPA MUNICIPALITY
FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

INCOME STATEMENT FOR THE YEAR ENDED 30 JUNE 2008

2007 Actual income R	2007 Actual expenditure R	2007 Surplus (deficit) R		2008 Actual income R	2008 Actual Expenditure R	2008 Surplus (deficit) R	2008 Budget Surplus/ (Deficit) R
60 771 442	48 392 505	12 378 937	RATES AND GENERAL SERVICES	65 360 103	48 523 363	16 836 740	(2 650 648)
35 445 394	19 322 799	16 122 595	Community services	43 955 176	27 631 276	16 323 899	653 633
1 360 152	4 431 232	(3 071 080)	Subsidised services	1 439 288	4 629 357	(3 190 069)	(4 212 619)
23 965 896	24 638 474	(672 578)	Economic services	19 965 640	16 262 730	3 702 910	908 338
0	588 422	(588 422)	HOUSING SERVICES	227 368	699 647	(472 278)	(497 443)
26 547 978	24 904 676	1 643 302	TRADING SERVICES	23 716 124	24 404 266	(688 142)	3 149 645
87 319 420	73 885 603	13 433 817	TOTAL	89 303 596	73 627 276	15 676 319	1 554
		2 165 447	Appropriations for the year (Refer to note 18)			(16 802 806)	
		15 599 264	Net surplus/(deficit) for the year			1 126 487	
		13 797 441	Accumulated surplus/ (Accumulated deficit) beginning of the year			29 396 705	
		29 396 705	ACCUMULATED SURPLUS/ (ACCUMULATED DEFICIT) AT END OF THE YEAR			28 270 218	

MANTSOPA MUNICIPALITY
FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2008

	NOTE	2008	2007
CASH RETAINED FROM OPERATING ACTIVITIES		82 351 059	37 260 333
Cash generated by operations	19	(15 302 666)	(7 326 015)
Investment income		6 683 949	109 364
(Increase) / Decrease in working capital	20	2 506 537	(11 297 672)
		(6 112 180)	(18 514 323)
Less: External interest paid		1 567 092	1 766 145
Cash available from operations		(7 679 270)	(20 280 468)
Cash contributions from the public and the state		90 030 330	57 073 924
Net proceeds on disposal of fixed assets		0	466 877
CASH UTILISED IN INVESTING ACTIVITIES			
Investment in fixed assets	6	(64 113 957)	(34 774 887)
NET CASH FLOW		18 237 102	2 485 446
CASH EFFECTS OF FINANCING ACTIVITIES			
Increase / (Decrease) in long-term loans	21	(5 222 179)	352 601
(Increase) / Decrease in cash investments	22	(9 348 166)	18 516
(Increase) / Decrease in cash	23	(3 666 758)	(2 856 563)
NET CASH (UTILISED) / GENERATED		(18 237 102)	(2 485 446)

MANTSOPA MUNICIPALITY
FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

NOTES TO THE FINANCIAL STATEMENTS AT 30 JUNE 2008

	2008	2007
1 STATUTORY FUNDS	10 829 622	12 681 845
Capital Development Fund	9 978 445	9 085 409
Housing Development Fund	440 551	440 551
Erven Fund	410 625	288 722
Redemption Fund	0	2 867 163
(Refer to appendix A for more detail)		
2 RESERVES	0	0
No Reserves	0	0
3 TRUST FUNDS	0	0
No Trust Funds	0	0
4 LONG TERM LIABILITIES	5 378 470	5 056 521
Long Term Loans	6 051 973	6 422 617
Hire Purchases	0	351 535
Annuity Loans	0	4 500 000
	6 051 973	11 274 152
Less: Current portion transferred to current liabilities	673 503	6 217 631
(Refer to appendix B for more detail)		
5 CONSUMER DEPOSITS		
Water and electricity	2 199 132	2 181 909
6 FIXED ASSETS		
Fixed assets at beginning of the year	182 730 485	147 955 598
Capital expenditure during the year	64 113 957	34 774 887
Less: Assets written off, transferred or disposed during the year.	2 370 214	0
Total fixed assets	244 474 229	182 730 485
Less: Loans redeemed and other receipts	238 422 256	171 474 559
Net fixed assets	6 051 972	11 255 926
(Refer to appendix C and Treasurer's Report)		

MANTSOPA MUNICIPALITY
FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

NOTES TO THE FINANCIAL STATEMENTS AT 30 JUNE 2008

		2008	2007
7	INVESTMENTS		
7.1	Long term investments		
	Listed		
	Old Mutual - 4500 Shares	50 625	50 625
	Unlisted		
	O V K Operations Ltd	279 446	279 446
	* Loan A	0	0
	* Loan B	105 663	105 663
	* Loan C	0	0
	* Loan D	102 700	102 700
	* Preference Shares	1 067	1 067
	* Paid up Shares	70 016	70 016
	Insurance Policy - Old Mutual	120 000	120 000
	Insurance Policy - Momentum	0	2 411 100
	Fixed Deposits - Nedcor Bank - 94831059998	65 459	60 134
		464 905	2 870 680
	Total Long term investments	515 530	2 921 305
7.2	Unlisted Short term investments		
	ABSA - 9092895347	1 206	1 175
	Opening balances	1 175	227 551
	Deposits/(Drawings)/(transfers)	31	(226 376)
	STANDARD BANK	11 753 910	0
	Opening balances	0	0
	Deposits/(Drawings)/(transfers)	11753910	0
7.3	Total investments	12 270 646	2 922 480
7.4	Market value of listed investments and management's valuation of unlisted investments		
	Listed investments	65 205	107 325
	Unlisted investments	12 220 021	2 871 855
7.5	Average rate of return on investments (net).	11.48%	3.73%
7.6	Investments are made in accordance with Circular No.1 of 1989.		
7.7	An investment with Nedbank to the amount of R65 458.76 has been pledged as collateral security for a housing loan granted to an employee of the council.		
7.8	The investment with Momentum for the amount of R 3 945 961.42 was withdrawn during the year to redeem a loan from ABSA for the amount of R4 500 000.		

MANTSOPA MUNICIPALITY
FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

NOTES TO THE FINANCIAL STATEMENTS AT 30 JUNE 2008

		2008	2007
8	LONG TERM DEBTORS		
	Sport Club Loan	243 012	241 710
	Correction on outstanding balance	0	6 856
		243 012	248 566
	Less :Short term portion transferred to current assets	5 554	5 554
		237 458	243 012
9	INVENTORY		
	Inventory represents		
	* Consumables	462 083	26 125
	* Livestock	3 687	110 715
		465 770	136 840
10	DEBTORS		
	Consumer Debtors	83 357 996	70 958 436
	Less: Vat payable on receipt	(9 017 109)	(8 545 170)
		74 340 887	62 413 266
	Debtors- Other	2 757 116	1 699 006
	Receiver of Revenue - VAT	2 678 141	5 612 053
		79 776 144	69 724 325
	Less: Provisions	22 707 753	9 854 047
	* Provision for Bad Debts	22 707 753	9 854 047
		57 068 392	59 870 278
	Days outstanding in debtors 304 days (2007-358 days)		
	An additional amount of R15 000 000 has been allocated from Accumulated Surplus in order to increase Provision for Bad Debts.		

MANTSOPA MUNICIPALITY FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

NOTES TO THE FINANCIAL STATEMENTS AT 30 JUNE 2008

		2008	2007
11	DEFERRED CHARGES		
	Preliminary expenses	0	18 227
12	PROVISIONS		
	Accumulated leave	3 012 406	2 379 017
		3 012 406	2 379 017
13	CREDITORS		
	Trade creditors	455 563	88 366
	Other creditors	12 008 401	10 854 249
	Unspent Grants	13 226 670	1 878 590
	Deposits- Other	20 700	25 619
		25 711 334	12 846 824

MANTSOPA MUNICIPALITY
FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

NOTES TO THE FINANCIAL STATEMENTS AT 30 JUNE 2008

14 ASSESSMENT RATES	SITE VALUATION 2008/07/01	IMPROVEMENTS VALUATION 2008/07/01	TARIFF	ACTUAL INCOME 2008	ACTUAL INCOME 2007
RESIDENTIAL	304 088 330	344 606 150	0.0145	9 406 070	5 593 453
		Less:	Discounted	1 934 060	
COMMERCIAL	5 994 802	68 615 994	0.0270	2 014 491	1 825 181
STATE	9 118 094	30 593 550		1 020 929	890 538
Residential	2 274 300	1 828 500	0.0145		
Commercial	6 843 794	28 765 050	0.0270		
			Discounted		
BUILDING CLAUSE	0	10 938 602	Applc. Use	176 610	153 778
Residential		9 438 602			
Commercial		1 400 000			
Industries		100 000			
MUNICIPAL	0	0		0	0
INDUSTRIAL	1 662 954	9 104 000	0.0195	209 956	200 562
AGRICULTURE	210 997 691	35 879 889	0.0040	987 510	931 169
			Discounted		
EXEMPTIONS	542 323	3 939 300		0	0
	532 404 194	503 677 485		11 881 506	9 594 681
Residential property benefit a discount on the first R25 000 of the improved value					

MANTSOPA MUNICIPALITY
FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

NOTES TO THE FINANCIAL STATEMENTS AT 30 JUNE 2008

	2008	2007
15 COUNCILLORS' REMUNERATION		
Mayor's allowance	455 907	426 524
Speaker's allowance	356 113	341 789
Councillors' allowances	1 693 033	1 586 730
Executive Committee allowances	364 669	364 155
<i>(Refer to Appendix G for detail)</i>		
	2 869 721	2 719 198
SECTION 57 EMPLOYEE'S REMUNERATION		
Municipal Manager	624 234	898 991
Chief Financial Officer	499 405	434 283
Other	1 043 259	1 209 863
<i>(Refer to Appendix G for detail)</i>		
	2 166 898	2 543 137
16 AUDITORS' REMUNERATION		
Audit Costs	1 572 801	1 229 297
17 FINANCIAL TRANSACTIONS		
External Interest Received or Paid		
- Interest Received	2 232 678	109 364
- Interest Paid	1 567 092	1 766 145
Capital Costs debited to operating account		
* Interest	1 425 613	1 681 853
- External	1 425 613	1 681 853
- Internal	0	0
* Redemption	1 378 819	1 329 567
- External	1 210 019	1 075 767
- Internal	168 800	253 800
* Deferred Costs Written Off	0	426 329
	2 804 432	3 011 420

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MANTSOPA MUNICIPALITY
FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

NOTES TO THE FINANCIAL STATEMENTS AT 30 JUNE 2008

	2008	2007
18 APPROPRIATIONS		
Appropriation Account:		
Accumulated Surplus/(Deficit) beginning of the year	29 396 705	13 797 441
Operating surplus/(deficit) for the year	15 676 319	13 433 817
Appropriations for the year	(16 802 806)	2 165 447
Prior year adjustments		
* Radio Link expense written back	0	576 865
* Deferred Charges written off	(18 227)	(426 329)
* Auditor-General	0	662 490
* Additional provision for bad debts	(15 000 000)	0
* Grants previously not utilized		1 182 275
* Other		
- Income wrongly levied	4 017 025	(2 324 337)
- Vat not claimed against insurance premium	0	65 464
- Expenditure for previous year	(5 801 604)	(121 128)
- Services not levied against departments(SWE)	0	2 550 147
Accumulated surplus at the end of the year	28 270 218	29 396 705
Operating account:		
Capital expenditure	1 805 064	637 843
Contributions	6 735 007	7 118 209
Provisions for		
- Bad debts	4 809 337	5 775 089
- Leave	1 032 634	469 926
- Capital Development Fund	893 036	873 194
	8 540 071	7 756 052

MANTSOPA MUNICIPALITY
FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

NOTES TO THE FINANCIAL STATEMENTS AT 30 JUNE 2008

	2008	2007
19 CASH GENERATED BY OPERATIONS		
(Deficit)/Surplus for the year	15 676 319	13 433 817
Adjustments previous year's operating transactions	(2 192 669)	(1 632 439)
Appropriations charged against income	8 540 071	7 756 052
* Capital Development Fund	893 036	873 194
* Provisions	5 841 971	6 245 015
* Capital expenditure	1 805 064	637 843
Capital charges	2 804 432	3 011 420
Interest on external loans	1 425 613	1 681 853
Interest on internal funds	0	0
Redemption external loans	1 210 019	1 075 767
Redemption internal funds	168 800	253 800
Grants and subsidies received from the state	(27 721 437)	(23 703 810)
Interest income (operating account)	(6 683 949)	(6 312 090)
Interest paid to bank and creditors	141 479	84 292
Non-operating expenditure: Expenditure charged against: Provisions and Reserves	(7 576 265)	(363 149)
Sale of erven	102 375	288 722
Interest income	1 385 589	109 364
Net other income	221 389	1 806
	(15 302 666)	(7 326 015)
20 (INCREASE)/DECREASE IN WORKING CAPITAL		
(Increase)/Decrease in Inventory	(328 930)	2 270 179
(Increase)/Decrease in Debtors	(10 051 819)	(17 446 537)
(Increase)/Decrease in Long-term debtors	5 554	6 856
Increase/(Decrease) in Creditors, consumer deposits	12 881 733	3 871 830
	2 506 537	(11 297 672)

MANTSOPA MUNICIPALITY
FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

NOTES TO THE FINANCIAL STATEMENTS AT 30 JUNE 2008

	2008	2007
21 INCREASE / (DECREASE) IN LONG TERM LOANS		
Long Term Loans raised	414 338	1 447 259
Loans repaid	(5 636 518)	(1 075 767)
	(5 222 180)	371 492
22 (INCREASE)/DECREASE IN CASH INVESTMENTS		
Investments made	(11 753 910)	(3 253 800)
Investments realised	2 405 744	3 272 316
	(9 348 166)	18 516
23 (INCREASE)/DECREASE IN BANK AND CASH ON HAND		
Bank overdraft and cash balance: Beginning of year	(3 691 864)	(6 548 427)
ABSA 2020000050	(3 694 119)	(6 550 682)
FNB 62054009751	0	0
Petty Cash	2 255	2 255
LESS: Bank overdraft and cash balance end of year	(25 106)	(3 691 864)
ABSA 2020000050	(27 361)	(3 694 119)
FNB 62054009751	0	0
Petty Cash	2 255	2 255
	(3 666 758)	(2 856 563)
24 RETIREMENT BENEFITS		
Free State Municipal Pension Fund : Valuation done 30 June 2008		
Free State Municipal Provident Fund : Valuation done 30 June 2008		
SAMWU National Fund		
Sala Pension Fund		
Sanlam Group Scheme : Valuation done 30 June 2008		

<p>MANTSOPA MUNICIPALITY FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008</p>
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NOTES TO THE FINANCIAL STATEMENTS AT 30 JUNE 2008

	2008	2007
25 CONTINGENT LIABILITIES AND CONTRACTUAL OBLIGATIONS		
Guarantees by Ladybrand Council in respect of building society and commercial bank housing loans to officials	83 560	83 560
Kopano has given a guarantee to First National Bank - Tweespruit for balance of a housing loan to an official, should he default on payments		
26 CAPITAL COMMITMENTS		
Commitments in respect of capital expenses		
Approved and contracted for	21 838 739	32 269 550
Approved and not yet contracted for	1 877 000	33 219 490
	23 715 739	65 489 040
This expenditure will be financed from:		
Internal sources	260 000	2 375 000
External sources	23 455 739	63 114 040
	23 715 739	65 489 040
27 CONSOLIDATED LOANS FUND		
Not applicable		

MANTSOPA MUNICIPALITY
FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

NOTES TO THE FINANCIAL STATEMENTS AT 30 JUNE 2008

	2008	2007
28 CAPITAL DEVELOPMENT FUND		
Outstanding advances to borrowing services		
Accumulated fund	9 978 445	9 085 408
LESS: Internal investment	0	0
	9 978 445	9 085 408
29 CAPITAL RESERVE FUND		
Not applicable		
30 RENEWAL FUND		
Outstanding advances to borrowing services		
Accumulated Fund	0	0
LESS: Internal investment	0	0
	0	0

MANTSOPA MUNICIPALITY
FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

STATUTORY FUNDS, TRUST FUNDS, RESERVES AND PROVISIONS

APPENDIX A

	<i>Balance at 2007/06/30 R</i>	<i>Contributions during the year R</i>	<i>Interest on investments R</i>	<i>Other income R</i>	<i>Operating Expenditure during year R</i>	<i>Capital Expenditure during year R</i>	<i>Written Off/ Transfer R</i>	<i>Balance at 2008/06/30 R</i>
STATUTORY FUNDS								
Capital Development Fund	9 085 409	893 036	0	0	0	0	0	9 978 445
Housing Development Fund	440 551	0	0	0	0	0	0	440 551
Erven Fund	288 722		19 528	102 375	0	0	0	410 625
Redemption Fund	2 867 163	266 776	1 366 061	0	4 500 000	0	0	0
	12 681 845	1 159 812	1 385 589	102 375	4 500 000	0	0	10 829 622
TRUST FUNDS								
No Trust Funds	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0
RESERVES								
No Reserves	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0
PROVISIONS								
Accumulated leave	2 379 017	1 032 634	0	0	399 245	0	0	3 012 406
Bad debts	9 854 047	4 809 337	0	15 221 389	7 177 020	0	0	22 707 753
	12 233 064	5 841 971	0	15 221 389	7 576 265	0	0	25 720 159

MANTSOPA MUNICIPALITY
FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

EXTERNAL LOANS AND INTERNAL ADVANCES

APPENDIX B

EXTERNAL LOANS	<i>Balance at 2007/06/30</i>	<i>Received during the year</i>	<i>Redeemed or written off during the year</i>	<i>Balance at 2008/06/30</i>
Long Term Loans				
Development Bank of SA. <i>(Bear interest at rates between 9.63% and 17.18% per annum and will be fully redeemed in 2017)</i>	6 120 061	414 338	671 774	5 862 625
Free State Municipal Pension Fund <i>(Bear interest at rates between 15% and 18.25% per annum and will be fully redeemed in 2015)</i>	97 501	0	97 501	0
ABSA/INCA <i>(Bear interest at rates between 16% and 19% per annum and will be fully redeemed in 2015)</i>	205 056	0	15 708	189 348
Hire Purchase - ABSA <i>(Bear interest at a floating rate of 14%)</i>	351 535	0	351 535	0
Annuity Loans - ABSA <i>(Bear interest at 16.25% per annum and is redeemable in 2008)</i>	4 500 000	0	4 500 000	0
	11 274 153	414 338	5 636 518	6 051 973
INTERNAL ADVANCES TO BORROWING SERVICES				
Capital Development Fund	0	0	0	0
Capital Reserve Fund	0	0	0	0
	0	0	0	0

MANTSOPA MUNICIPALITY
FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

ANALYSIS OF FIXED ASSETS

APPENDIX C

<i>Expenditure 2007</i>	<i>Service</i>	<i>Budget 2008</i>	<i>Balance at 2007/06/30</i>	<i>Expenditure during year</i>	<i>Redeemed transferred or written off</i>	<i>Balance at 2008/06/30</i>
<i>R</i>		<i>R</i>	<i>R</i>	<i>R</i>	<i>R</i>	<i>R</i>
28 139 620	RATES & GENERAL SERVICE	83 274 190	113 580 852	60 062 668	2 370 214	171 273 307
5 305 182	COMMUNITY SERVICE	1 272 620	29 530 999	1 505 376	218 378	30 817 997
0	Clinics	0	721 374	0	0	721 374
0	Environmental Health	17 000	34 797	0	0	34 797
5 270 984	Roads and Streets	401 620	21 859 469	805 233	0	22 664 702
0	Municipal Manager	0	607 303	340 325	160 764	786 864
0	Administrative Services	715 000	966 548	216 460	36 436	1 146 572
11 399	Development	6 000	3 679 772	0	0	3 679 772
0	PMU	0	0	26 996	0	26 996
22 799	Financial Services	33 000	1 428 463	20 836	21 179	1 428 120
0	Traffic service	100 000	233 273	95 526	0	328 799
11 399	SUBSIDISED SERVICE	0	25 879 593	226 310	35 587	26 070 316
0	Cemetery	0	47 618	0	0	47 618
0	Fire Protection	0	152 814	0	0	152 814
11 399	Library	0	859 061	0	0	859 061
0	Parks and recreation	0	1 590 211	95 260	0	1 685 471
0	Properties	0	23 229 889	131 050	35 587	23 325 352
0	Unsold erven	0	0	0	0	0
22 823 039	ECONOMIC SERVICE	82 001 570	58 170 260	58 330 982	2 116 248	114 384 994
0	Sanitation	1 600 000	2 644 446	0	0	2 644 446
4 352 702	Farming	0	5 293 858	618 923	0	5 912 781
18 470 337	Sewerage	80 401 570	50 231 956	57 712 059	2 116 248	105 827 767
0	HOUSING SERVICE	55 000	4 642 815	40 000	0	4 682 815
6 635 267	TRADING SERVICE	4 500 506	64 506 818	4 011 289	0	68 518 107
210 163	Electricity	260 000	12 460 139	213 126	0	12 673 265
6 425 104	Water	4 240 506	52 046 679	3 798 163	0	55 844 842
34 774 887	TOTAL FIXED ASSETS	87 829 696	182 730 485	64 113 957	2 370 214	244 474 229
LESS: CAPITAL REDEEMED AND OTHER CAPITAL RECEIPTS			171 474 560	69 750 475	(2 802 779)	238 422 256
Loans redeemed and advances repaid			2 689 923	5 636 518	18 227	8 308 214
Contributions ex operating income			41 636 421	1 805 064	2 370 214	41 071 272
Contributions ex erven fund			720 467			720 467
Contributions ex capital reserve			147 040			147 040
Provisions and reserve			2 269 064			2 269 064
Grants and subsidies			98 780 778	62 308 893	414 338	160 675 333
Public contributions			452 677			452 677
Other income			24 778 189			24 778 189
NET FIXED ASSETS			11 255 926	(5 636 518)	5 172 993	6 051 972

MANTSOPA MUNICIPALITY
FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

ANALYSIS OF OPERATING INCOME AND EXPENDITURE
FOR THE YEAR ENDED 30 JUNE 2008

APPENDIX D

ACTUAL 2007		ACTUAL 2008	BUDGET 2008
INCOME			
23 703 810	GRANTS AND SUBSIDIES	27 721 437	28 397 210
22 351 358	Governmental grants	27 282 039	27 282 000
882 452	District Municipality	439 398	727 210
470 000	Provincial subsidies		388 000
63 615 610	OPERATING INCOME	61 582 159	57 905 927
9 594 682	Assessment rates	11 881 506	8 332 242
13 782 864	Sale of electricity	13 226 428	14 522 577
10 782 039	Sale of water	8 524 459	13 852 615
29 456 025	Other service charges	27 949 766	21 198 493
87 319 420		89 303 596	86 303 137
EXPENDITURE			
27 962 172	Salaries,wages and allowances	30 426 360	30 818 790
41 403 953	General expenses	35 668 598	43 648 485
6 822 250	Purchase of electricity	7 734 591	8 540 000
480 633	Purchase of water	578 278	600 000
5 556 445	Indigents subsidised ex Equitable Share	6 016 603	10 862 359
28 544 625	Other general expenses	21 339 127	23 646 126
3 705 634	Repairs and maintenance	3 626 540	5 706 700
3 011 420	Capital charges	2 804 432	3 011 973
637 843	Contributions to fixed assets	1 805 064	2 529 000
7 118 209	Contributions to provisions	6 735 007	8 025 358
83 839 231	Gross expenditure	81 066 000	93 740 306
9 953 628	Less :Amounts charged out	7 438 724	7 438 723
73 885 603	Net expenditure	73 627 276	86 301 583
13 433 817	Net(Deficit)/Surplus	15 676 319	1 554

MANTSOPA MUNICIPALITY
FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

DETAILED INCOME STATEMENT FOR THE YEAR ENDED 30 JUNE 2008

APPENDIX E

2007 Actual Income	2007 Actual Expenditure	2007 Surplus (Deficit)		2008 Actual Income	2008 Actual Expenditure	2008 Surplus/ (Deficit)	2008 Budget Surplus/ (Deficit)
R	R	R		R	R	R	R
60 771 442	48 392 505	12 378 937	RATES AND GENERAL SERVICES	65 360 103	48 523 363	16 836 740	(2 650 648)
35 445 394	19 322 799	16 122 595	Communtiy services	43 955 176	27 631 276	16 323 899	653 633
9 594 682	0	9 594 682	Assessment rates	11 881 506	0	11 881 506	8 332 242
155 448	431 876	(276 428)	Environmental Health	973 064	695 060	278 004	0
0	0	0	Project Management Unit	0	516 713	(516 713)	0
242 016	1 151 217	(909 201)	Development	0	1 025 383	(1 025 383)	(461 360)
4 278 808	4 757 187	(478 379)	Roads & streets	3 968 526	4 892 522	(923 996)	(2 107 601)
1 782 493	6 415 702	(4 633 209)	Town clerk & council	3 138 583	6 106 520	(2 967 937)	(1 044 471)
535 386	2 770 970	(2 235 584)	Town Secretariat	235 909	3 635 522	(3 399 614)	(3 782 263)
0	0	0	Internal Audit	0	397 211	(397 211)	(444 111)
0	0	0	IDP	287 395	644 127	(356 732)	(621 784)
18 708 911	3 073 550	15 635 361	Town Treasurer	23 337 873	8 869 578	14 468 295	1 561 687
147 650	722 297	(574 647)	Traffic services	132 320	848 641	(716 321)	(778 706)
1 360 152	4 431 232	(3 071 080)	Subsidised services	1 439 288	4 629 357	(3 190 069)	(4 212 619)
73 721	49 750	23 971	Cemetery	81 793	2 327	79 467	3 676
365 689	958 323	(592 634)	Fire protection	412 832	919 019	(506 186)	(619 248)
177 598	1 194 026	(1 016 428)	Library	77 602	1 127 402	(1 049 801)	(1 238 609)
0	953 110	(953 110)	Parks & recreation	0	1 209 262	(1 209 262)	(1 594 645)
743 144	1 276 023	(532 879)	Properties	867 061	1 371 348	(504 287)	(763 793)
23 965 896	24 638 474	(672 578)	Economic service	19 965 640	16 262 730	3 702 910	908 338
6 830 339	6 152 537	677 802	Refuse removal	6 521 885	6 059 978	461 907	45 498
11 972 671	10 352 997	1 619 674	Sewerage	13 281 559	9 805 565	3 475 994	862 840
5 162 886	8 132 940	(2 970 054)	Farming	162 196	397 187	(234 991)	0
0	588 422	(588 422)	HOUSING SERVICE	227 368	699 647	(472 278)	(497 443)
26 547 978	24 904 676	1 643 302	TRADING SERVICE	23 716 124	24 404 266	(688 142)	3 149 645
13 911 322	13 266 062	645 260	Electricity	13 396 470	11 287 166	2 109 304	2 260 480
12 636 656	11 638 614	998 042	Water	10 319 654	13 117 100	(2 797 446)	889 165
87 319 420	73 885 603	13 433 817	TOTAL	89 303 596	73 627 276	15 676 319	1 554
		2 165 447	Appropriation for the year (Refer Note 18)			(16 802 806)	
		15 599 264	Net surplus/(deficit) for year			(1 126 487)	
		13 797 441	Accumulated surplus/(deficit) beginning of the year			29 396 705	
		29 396 705	Accumulated surplus/(deficit) at end of the year			28 270 218	

MANTSOPA MUNICIPALITY
FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

STATISTICAL INFORMATION

APPENDIX F

GENERAL STATISTICS		2006/2007	2007/2008
Population		56930	56930
Valuation of property taxable	Properties	252846418	531861871
Date of valuation from July 2004 till June 2008	Improvements	533826394	499738185
Valuation of property non-taxable	Properties	267850	542323
Date of valuation from July 2004 till June 2008	Improvements	2699300	3939300
Valuation of residential property	Properties	39943650	304088330
	Improvements	382769522	344606150
Valuation of commercial property	Properties	12647996	5994802
	Improvements	97029044	68615994
Number of residential properties		9314	9326
Number of commercial properties		434	434
Number of farms		1240	1316
Assessment rates : Cent in the rand			
Residential	Properties	0.0133	0.0145
	Improvements	0.0133	0.0145
Commercial	Properties	0.0245	0.0270
	Improvements	0.0245	0.0270
Industrial	Properties	0.0180	0.0195
	Improvements	0.0180	0.0195
Agricultural	Properties	0.0040	0.0040
	Improvements	0.0040	0.0040
Discount allowed			
Number of employees		268	264

STATISTICAL INFORMATION (Continue)

ELECTRICITY		2006/2007	2007/2008
Number of users		2248	2165
Units bought		40776314	38289181
Units sold		34075410	27905876
Units lost in distribution		6700904	10383305
Units lost percentage of units bought		16.43	27.12
Cost per unit bought		0.17	0.20
Randvalue loss in distribution		1121122	2097475
Cost per unit sold		0.39	0.40
Income per unit sold		0.41	0.48
WATER		2006/2007	2007/2008
Number of users		11743	11854
Units bought		N/A	N/A
Units sold		3594013	2841486
Units lost in distribution		N/A	N/A
Units lost percentage of units bought		N/A	N/A
Cost per unit sold		3.24	4.62
Income per unit sold		3.52	3.63

MANTSOPA MUNICIPALITY
FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

DETAIL REMUNERATION OF COUNCILLORS AND SECTION 57 EMPLOYEES

APPENDIX G

	SALARY	VEHICLE ALLOWANCES	HOUSING	MEDICAL AID	PENSION FUND	CELL PHONE	SUNDRY TAXABLE	SUNDRY NON TAXABLE	GROSS REMUNERATION
COUNCILLORS									
Mayor	291 167	105 572	0	0	41 311	13 902	1 810	2 145	455 907
Speaker	220 363	81 176	0	7 349	30 871	13 451	2 837	65	356 113
Exco Members	224 209	79 576	0	11 154	29 406	16 305	2 199	1 820	364 669
Ordinary Councillors	1 042 497	377 317	0	700	147 571	103 363	15 394	6 190	1 693 033
	1 778 236	643 641	0	19 204	249 160	147 021	22 240	10 220	2 869 721
The only amounts owed by councillors are in respect of service fees for those who were elected in the last election. They all have made arrangements to pay it off by means of deductions from their allowances. Service fees of Councillors are deducted from their allowances on a monthly basis.									
	SALARY	BONUS	SUBSIDIES	VEHICLE ALLOWANCES	HOUSING	MEDICAL AID	PENSION FUND	SUNDRIES	GROSS REMUNERATION
SENIOR MANAGERS									
Municipal Manager	280 526	26 322	0	120 000	0	8 050	90 000	99 336	624 234
Manager: Financial Services	244 842	20 403	0	128 811	3 000	28 586	52 579	21 184	499 405
Manager: Administrative Services	367 443	20 403	0	118 818	0	10 642	52 579	2 793	572 678
Manager: Technical Services	247 699	19 171	0	117 324	7 359	19 717	52 579	6 732	470 581
	1 140 510	86 299	0	484 953	10 359	66 995	247 737	130 045	2 166 898

MANTSOPA MUNICIPALITY
FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

OTHER DETAIL INFORMATION NEEDED I.T.O. MFMA Sec 125(1)

APPENDIX H

	BUDGETED 2008	ACTUAL 2008	ACTUAL 2007
TAXES			
SITE and PAYE		2 288 032	1 966 535
VAT		0	1 570 151
LEVIES			
Skills Development Levy	263 410	256 568	343 850
Compensation Commissioner	264 374	267 007	274 411
SALGA	110 000	104 185	110 922
SALGBC	22 326	8 934	8 481
UIF	188 322	205 250	173 834
DUTIES			
SAMRO	0	3 501	3 239
PENSION FUND CONTRIBUTIONS			
Freestate Municipal Providend Fund		405 744	414 523
Freestate Municipal Pension Fund		230 807	266 791
SALA Pension Fund		472 529	460 714
SALA/Municipal Councillors P Fund		251 914	0
SAMWU National Providend Fund		1 066 252	1 059 458
Local Government Pension Fund		310 195	103 620
SANLAM Retirement Fund		90 000	52 500
SANLAM Group Scheme		335 355	384 327
Old Mutual Employees Benefits(Orion)		72 839	72 260
Investec Employee Benefits		2 574	3 183
		3 238 209	2 817 376
MEDICAL AID CONTRIBUTIONS			
Munimed		616 209	624 478
LA Health		13 416	18 726
Bonitas		847 071	798 848
Hosmed		27 016	0
SAMWUMED		385 853	324 382
		1 889 564	1 766 434